

Message Text

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ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 EURE-00 IGA-02 ITC-01
SP-02 USIA-15 AID-05 EB-08 NSC-05 SS-15 STR-05
OMB-01 CEA-01 CIAE-00 FRB-01 INR-07 NSAE-00
XMB-04 OPIC-06 LAB-04 SIL-01 L-03 H-02 PA-02
PRS-01 AGRE-00 FEAE-00 /130 W
-----096072 141710Z /41

P R 141641Z SEP 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 8278
TREASURY DEPT WASHDC PRIORITY
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USMISSION GENEVA
USDOC WASHDC

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USEEC ALSO FOR EMBASSY
USOECN ALSO FOR EMBASSY
USMTN

DEPARTMENT PASS FEDERAL RESERVE BOARD

E.O. 11652: N/A
TAGS: EFIN, UK
SUBJECT: UK TRADE AND CURRENT ACCOUNT IN AUGUST 1977

SUMMARY: THERE WAS, ERRATICALLY, A LARGE SURPLUS ON
VISIBLE TRADE OF 141 MILLION POUNDS, SEASONALLY ADJUSTED,
AN IMPROVEMENT OF 371 MILLION ON THE JULY FIGURE. THIS
MAINLY REFLECTED A FALL IN IMPORTS OF 339 MILLION POUNDS
FROM THE COMPARATIVELY HIGH JULY LEVEL. LOWER IMPORTS OF
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DIAMONDS, SHIPS AND AIRCRAFT WERE RESPONSIBLE FOR NEARLY
HALF OF THIS FALL; IN ADDITION, IMPORTS OF BASIC MATERIALS
AND OF CERTAIN MANUFACTURED GOODS WERE DOWN, ALSO GENER-
ALLY FROM HIGH JULY LEVELS. TOTAL EXPORTS ROSE BY 32 MIL-
LION POUNDS.

IN TERMS OF VOLUME, EXPORTS WERE DOWN BY 2 PERCENT IN AUG-

UST, WHILE IMPORTS FELL SHARPLY BY 12 PERCENT. THE EXPORT UNIT VALUE INDEX ROSE BY 2 PERCENT IN AUGUST, AND THE IMPORT UNIT VALUE INDEX FELL BY 1 PERCENT, LEADING TO A 3 PERCENT RISE IN THE TERMS OF TRADE INDEX.

IN THE 3 MONTHS ENDED AUGUST, THE VISIBLE TRADE DEFICIT WAS 386 MILLION, COMPARED WITH 642 MILLION IN THE PREVIOUS THREE MONTHS. THIS MARKED REDUCTION, OF 256 MILLION, OWED LITTLE TO MOVEMENTS IN THE BALANCE OF TRADE IN DIAMONDS, SHIPS AND AIRCRAFT (WHICH HAD AFFECTED THE MONTHLY FIGURES). THERE WAS AN IMPROVEMENT OF 194 MILLION IN THE BALANCE OF TRADE IN OIL, WITH EXPORTS UP BY 111 MILLION POUNDS AND IMPORTS DOWN BY 83 MILLION. MOVEMENTS IN NORTH SEA INSTALLATIONS ADVERSELY AFFECTED THE CHANGE IN THE VISIBLE DEFICIT BY ABOUT 150 MILLION BETWEEN THE THREE MONTHLY PERIODS. TOTAL EXPORTS WERE VALUED AT 8289 MILLION POUNDS, 7 PERCENT HIGHER THAN IN THE PREVIOUS THREE MONTHS, WITH VOLUME UP BY 4 PERCENT. TOTAL IMPORTS, AT 8675 MILLION POUNDS, SHOWED AN INCREASE OF 3 PERCENT IN VALUE AND 2-1/2 PERCENT IN VOLUME. EXCLUDING NORTH SEA INSTALLATIONS, IMPORTS ROSE BY 1 PERCENT IN VALUE, AND SHOW A MARGINAL INCREASE IN VOLUME. BETWEEN THE TWO PERIODS, THE EXPORT UNIT VALUE INDEX INCREASED BY 2-1/2 PERCENT AND THE IMPORT UNIT VALUE INDEX BY 1 PERCENT, LEADING TO A RISE OF 1 PERCENT IN THE TERMS OF TRADE INDEX

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THE LATEST ESTIMATE OF INVISIBLES RELATES TO THE SECOND QUARTER OF 1977 WHEN CREDITS ON SERVICES AND OTHER TRANSACTIONS WERE 3850 MILLION AND DEBITS 3358 MILLION, GIVING A SURPLUS OF 492 MILLION FOR THE QUARTER. THE RATE AT WHICH THE SURPLUS IS PROJECTED TO BE RUNNING CURRENTLY HAS BEEN REVISED DOWNWARDS TO 175 MILLION POUNDS A MONTH. END SUMMARY

THE FOLLOWING TABLES SUMMARIZE AUGUST'S CURRENT ACCOUNT ESTIMATES. NOTE ALSO THE EXTENSIVE REVISIONS IN VISIBLE AND INVISIBLE BALANCE FIGURES BACK TO 1975.

1. CURRENT ACCOUNT FOR THE MONTH OF AUGUST 1977

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PRS-01 AGRE-00 FEAE-00 /130 W

-----096160 141710Z /41

P R 141641Z SEP 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 8279

TREASURY DEPT WASHDC PRIORITY

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

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POUNDS MILLION (SEASONALLY ADJUSTED)

	CURRENT BALANCE	VISIBLE BALANCE: TRADE IN GOODS	INVISIBLE BALANCE: SERVICES AND OTHER CURRENT TRANSACTIONS
1975	-1701	-3203	1502
1976	-1405	-3571	2166
1976 1ST QTR	- 90	- 538	448
2ND QTR	- 390	- 907	517
3RD QTR	- 511	-1144	633
4TH QTR	- 414	- 982	568
1977 1ST QTR	- 461	- 962	501

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2ND QTR	- 204	- 696	492
1977 MARCH	- 76	- 243	167(B)
APRIL	30	- 134	164(B)
MAY	- 101	- 265	164(B)
JUNE	- 133	- 297	164(B)
JULY	- 55	230	175(A)

AUGUST	316	141	175(A)
1977 MAR-MAY	- 147	- 642	495
JUNE-AUG	128	- 386	514(A)

- (A) THESE FIGURES ARE OR INCLUDE PROJECTIONS AND ARE
SUBJECT TO REVISION AS INFORMATION BECOMES AVAILABLE.
- (B) ONE THIRD OF THE APPROPRIATE CALENDAR QUARTER'S ESTI-
MATE. MONTHLY FIGURE OF INVISIBLES ARE NOT AVAILABLE

2. VISIBLE TRADE ON BALANCE OF PAYMENTS BASIS

POUNDS MILLION SEASONALLY ADJUSTED

VIIBLE

EXPORTS(FOB) IMPORTS(FOB) BALANCE

1975	R	19461	22664	- 3203
1976	R	25416	28987	- 3571
1975 1ST QTR	R	4664	5608	- 944
2ND QTR	R	4632	5289	- 657
3RD QTR	R	4828	5802	- 974
4TH QTR	R	5337	5965	- 628
1976 1ST QTR	R	5642	6180	- 538
2ND QTR	R	6242	7149	- 907
3RD QTR	R	6429	7573	- 1144
4TH QTR	R	7103	8085	- 982
1977 1ST QTR	R	7440	8402	- 962
2ND QTR	R	8036	8732	- 696
1977 MARCH	R	2504	2747	- 243
APRIL	R	2649	2783	- 134
MAY	R	2612	2877	- 265

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JUNE	R	2775	3072	- 297
JULY	R	2741	2971	- 230
AUGUST	P	2773	2632	141
1977 MAR-MAY		7765	8407	- 642
JUNE-AUG		8289	8675	- 386
PERCENTAGE				
CHANGE(1)		7	3	

P EQUALS PROVISIONAL ESTIMATES

R EQUALS REVISED ESTIMATES

- (1) PERCENTAGE CHANGE: LATEST THREE MONTHS ON PREVIOUS
THREE MONTHS

3. INVISIBLES

SEASONALLY ADJUSTED VALUES IN POUNDS MILLION

INVISIBLE

CREDITS DEBITS BALANCE

1975	11,044	9,542	1,502
1976	13,838	11,672	2,166
1975 1ST QTR	2,645	2,266	379
2ND QTR	2,685	2,361	324

3RD QTR	2,757	2,403	354
4TH QTR	2,957	2,512	445
1976 1ST QTR	3,099	2,651	448
2ND QTR	3,314	2,797	517
3RD QTR	3,625	2,992	633
4TH QTR	3,800	3,232	568
1977 1ST QTR	3,752	3,251	501
2ND QTR	3,850	3,358	492

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OMB-01 CEA-01 CIAE-00 COME-00 FRB-01 INR-07
NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 L-03 H-02
PA-02 PRS-01 AGRE-00 FEAE-00 /130 W
-----096186 141711Z /41

P R 141641Z SEP 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 8280
TREASURY DEPT WASHDC PRIORITY
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
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1977 JULY	175
AUGUST	175

4. EXPORT AND IMPORT UNIT VALUE AND VOLUME INDEX NUMBERS
ON A BALANCE OF PAYMENTS BASIS (INDICES 1970 EQUALS
100)

-----UNIT VALUES-----VOLUME-----

(NOT SEASONALLY ADJUSTED) (SEASONALLY ADJ.)

TERMS OF

EXPORTS IMPORTS TRADE(1) EXPORTS IMPORTS

1975 R 198.5 246.1 80.7 126.1 126.5

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1976 R 240.6 300.3 80.1 136.6 134.3

1975 1ST Q R 184.9 240.9 76.8 129.4 127.9

2ND Q R 193.4 241.5 80.1 123.2 122.0

3RD Q R 202.2 247.5 81.7 121.8 128.4

4TH Q R 210.1 260.9 80.5 130.2 127.5

1976 1ST Q R 219.0 269.1 81.4 132.2 126.2

2ND Q R 234.2 292.6 80.0 137.8 134.7

3RD Q R 247.4 308.2 80.3 134.9 138.0

4TH Q R 261.7 331.0 79.1 141.5 138.2

1977 1ST Q R 274.5 341.4 80.4 141.2 142.3

2ND Q R 280.9 350.7 80.1 149.3 143.9

1977 MARCH R 276.8 345.8 80.0 143.3 139.4

MAY R 282.5 350.1 80.7 145.4 142.4

JUNE R 282.8 352.7 80.2 152.5 150.7

JULY R 283.9 354.4 80.1 153.3 149.0

AUG R 289.4 350.9 82.5 150.2 131.2

1977 MAR-MAY 278.9 348.4 80.0 146.2 140.2

JUN-AUG 285.4 352.7 80.9 152.0 143.6

PERCENTAGE

CHANGE 2-1/2 1 1 4 2-1/2

(1) EXPORT UNIT VALUE INDEX AS A PERCENTAGE OF THE IMPORT

UNIT VALUE INDEX

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Litigation History:
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Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
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Previous Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1280406
Secure: OPEN
Status: NATIVE
Subject: UK TRADE AND CURRENT ACCOUNT IN AUGUST 1977 SUMMARY: THERE WAS, ERRATICALLY, A LARGE SURPLUS ON VISIBLE TRADE OF 141 MILLION POUNDS, SEASONALLY AD
TAGS: EFIN, UK
To: STATE TRSY
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/78d3e446-c288-dd11-92da-001cc4696bcc
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Margaret P. Grafeld
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